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 Plaintiffs' Class Counsel

**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION**

IN RE: DYNAMIC RANDOM ACCESS  
 MEMORY (DRAM) ANTITRUST  
 LITIGATION

Case No. M-02-1486-PJH  
 MDL No. 1486

DECLARATION OF AMY L. LAKE OF  
 RUST CONSULTING, INC., NOTICE  
 AND CLAIMS ADMINISTRATOR

This Document Relates to:

ALL INDIRECT PURCHASER ACTIONS  
 and

Hearing Date: May 18, 2016  
 Time: 9:00am  
 Courtroom: 3, 3<sup>rd</sup> Floor  
 The Honorable Phyllis J. Hamilton

*State of California et al. v. Infineon  
 Technologies AG, et al.*

*State of New York v. Micron Technology Inc.,  
 et al.*

Case No. C 06-4333 PJH

Case No. C 06-6436 PJH

*State of California et al. v. Samsung  
 Electronics Co., Ltd., et al.*

Case No. C 07-1347 PJH

Case No. C 07-2589 PJH

*State of California et al. v. Winbond  
 Electronics Co.*

Case No. C 12-5213 PJH

Case No. C 12-5214 PJH

*Petro Computer Systems, Inc. v. Hitachi, Ltd.*

Case No. C 12-5215 PJH

*Petro Computer Systems, Inc. v. Mitsubishi Electric Corporation, et. al.*

Case No. C 12-5230 PJH

Case No. C 12-5229 PJH

*Petro Computer Systems, Inc. v. Toshiba Corporation, et. al.*

Case No. C 12-5231 PJH

*State of California et al., v. Toshiba Corporation et al.,*

*State of California et al., v. Mitsubishi Electric Corporation, et. al.*

*State of California et al., v. Hitachi, Ltd.*

I, AMY LAKE, declare and state that:

1. I am a Client Services Director for Rust Consulting, Inc. (“Rust”) responsible for supervising the settlement services provided by Rust for this matter. As a Client Services Director, I provide project team leadership and coordinate with class counsel and other parties as needed.

2. I am over 21 years of age and am not a party to these actions. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently to the facts set forth in this Declaration.

3. I submit this Declaration in order to provide information regarding the claim processing, and the allocation and distribution of the Net Settlement Fund to class members in the above captioned litigation.

#### **Claims Processing Activities**

4. In order to facilitate the processing of claims, Rust entered all claims submitted in the DRAM Settlement into a proprietary database (“Database”). Each claim was coded with a unique “Claim Number” based on when the claim was received and processed.

1           5.       Rust recorded in the Database relevant information for each claim, including:  
2 name, address, telephone number, email address, Claimant's responses to the Eligibility  
3 Questions<sup>1</sup> and the number and type of DRAM products purchased.

4           6.       As of the initial August 1, 2014 deadline to submit Claims, Rust had received  
5 444,480 online claim forms and 5,499 paper claim forms for a total of 449,979 claims.

6           7.       Rust continued to receive claims after the initial August 1, 2014 deadline, and  
7 processed those claims contemporaneously with the earlier filed claims. As the claims process  
8 neared completion, it became apparent that any additional claims would prolong the claims  
9 process. After consulting with Indirect Purchaser Plaintiffs' counsel and the Attorneys  
10 General, Rust alerted Claimants that it would not process claims submitted after July 1, 2015.  
11 Thereafter, the settlement website homepage (through which the vast majority of claims were  
12 received) stated:

13               "The deadline to submit claims has passed. We are no longer accepting  
14 online claim forms for the DRAM Indirect Antitrust Litigation. Counsel will  
15 recommend to the Court that claims submitted after July 1, 2015 not be  
accepted."

16           8.       In June 2015, a mass email was sent to all agents providing filing services for  
17 claimants stating that July 8, 2015 was the deadline to correct or resolve claims that had been  
18 submitted but had outstanding deficiencies. The email text is attached as Exhibit A.

19           9.       By July 1, 2015, Rust had received a total of 469,487 claims. After coding and  
20 processing these claims, Rust determined that 456,842 claim forms were submitted by  
21 individuals and 12,645 claim forms were submitted by businesses.

22  
23           <sup>1</sup> The "Eligibility Questions" were included on the Court-approved claim form and had to be answered  
24 in the affirmative to establish class membership. These questions were designed to confirm that a  
claimed purchase: (1) was made in the United States or any of its territories (2) was made indirectly;  
and (3) was a product containing DRAM purchased for the Claimant's own use or for resale during the  
Class Period.



### Audit Process

14. In addition to the initial screening for the above referenced deficiencies and ineligibilities, Rust undertook substantial further efforts to verify the legitimacy of claims. In performing this analysis, Rust considered both the quantitative and qualitative data underlying the claims.

15. For business claimants, Rust considered the relevant business types, sectors, and employee levels to ensure that the quantity of DRAM claimed was reasonable. The business Claimants were grouped based on size and, after due consideration was given to the scale of the business and other factors, large or aberrant claims were audited.

16. Any business subject to audit was asked to provide proof that the purchases claimed fell within the class definition by documenting: (1) the number of products purchased that contained DRAM; (2) the date of each purchase; (3) the vendor purchased through; (4) the brand, make, model number or other similar description for each product purchased; (5) for any server purchases, the total amount paid; (6) for large memory module purchases, the megabytes purchased by year; and (7) for products listed in Table 3 of the claim form, the DRAM content in megabytes.

17. Additionally, businesses subject to audit were required to provide an affidavit averring: (1) that the report or spreadsheet had been reviewed and reflects only purchases that meet the class definition of eligible DRAM purchases within the Class Period (January 1, 1998 through December 31, 2002); (2) to the nature of the program(s) and software used to generate the supporting documentation; (3) that the underlying transactions were entered contemporaneously at the time of purchase; (4) that no data had been manipulated; and (5) that all products claimed were purchased in the United States, including Puerto Rico, the Northern

1 Mariana Islands, and the territories; or from a seller located in the United States, including  
2 Puerto Rico, the Northern Mariana Islands, and the territories.

3 18. Rust also sent audit letters to individuals with large or aberrant claims,  
4 requesting proof that the purchases fell within the class definition by documenting: (1) the type  
5 and number of products and the year of purchase; (2) a description of how the Claimant used  
6 the products; (3) a statement confirming those products were purchased for personal use; and  
7 (4) a statement affirming under penalty of perjury that the information provided in the claim  
8 form and the details contained in the response were true and correct.

9 19. Claimants that failed to respond to audit letters were deemed ineligible.

10 20. Audit letters were mailed to a total of 5,390 businesses and individuals of  
11 which 757 responded and 4,633 did not. A sample of the audit letter is included as Exhibit D.

12 21. In addition, Rust retained Nathan Associates Inc. ("Nathan") to assist in the  
13 auditing process by analyzing numerous complex financial and technical issues, particularly  
14 those related to large business claims. Nathan sought to verify that the type and number of  
15 DRAM products claimed were supported by contemporaneous records. Nathan reviewed more  
16 than 1,000 files submitted by more than 200 of the largest claimants. Often the review process  
17 involved multiple phone calls with the Claimant and the review of significant additional  
18 technical supporting documentation provided by the Claimant, including tax returns, financial  
19 statements, expert reports, and large excel files. The review process involved substantial back  
20 and forth, often with large business Claimants staffed with their own experts in finance,  
21 accounting, and technology.

22 22. In cases where the Claimant had partial data to support the claim, such as where  
23 data was only retained for part of the conspiracy period, Nathan analyzed and tested the  
24 Claimant's extrapolation methods to ensure they were reasonable. Among other things,

1 Nathan verified that the Claim was consistent with the Claimant's overall business operations.  
2 For example, the CEUs claimed were compared with the Claimant's total purchases, sales, or  
3 revenues reported on its tax forms or with other financial documents to ensure the claim made  
4 economic sense. Claimants' corporate histories and mission statements along with their  
5 product and service offerings were sometimes checked to verify that the type and volume of  
6 CEUs claimed were not outside reasonable expectations for such enterprises during the class  
7 period.

8 23. To further verify claims, Nathan sometimes looked at the business operations of  
9 competitors in the same market segment. Comparing businesses in the same industry allowed  
10 for the creation of benchmark levels of DRAM purchases that could reasonably be expected of  
11 such businesses. For example, in cases where the claimant knew only the dollar sales for a  
12 particular line of business, Nathan verified the allocation of sales to eligible products based on  
13 an analysis of the business. Nathan sometimes examined the relevant market shares of  
14 businesses during the class period to confirm the propriety of some DRAM claims. Because  
15 DRAM containing product industries are sometimes volatile, market shares of various  
16 claimants sometimes shifted dramatically during the class period, requiring various  
17 adjustments.

18 24. For unusual or specialized DRAM containing products not listed on the claim  
19 form, Nathan conducted market and industry research to determine an appropriate CEU value.  
20 Additionally "spec sheets" or other internal documents shedding light on the DRAM content  
21 of those products were requested. These products included industrial robotics and cellphone  
22 towers, among others.

23

24







### Administrative Fees and Expenses

32. The cost for the claims administration and auditing thus far is \$1,787,071. The parties have been provided detailed invoices for services throughout Rust's engagement in the project. Below is a summary of the costs incurred through April 24, 2016. A statement of Rust's invoices is attached as Exhibit E.

a. \$432,620 in project planning, set-up, management and reporting; technical consulting, and database loading and maintenance over a project duration spanning more than four years.

b. \$269,198 in class member support services, including the handling of 19,653 calls to a toll-free number with customer service representatives, the creation and maintenance of the settlement website, mailing over 280,000 letters to prompt claim filing, approximately 900 additional notices sent upon request, and processing undeliverable mail.

c. \$331,398 in claims processing and auditing, including the capture of mailed claim forms and loading of electronically filed claims; the mailing, processing, and analysis related to 5,390 audited claims; the handling of a deficiency process involving more than 29,000 records in various review categories, the handling of over 14,000 email communications concerning claims, and correspondence with filing service agencies who represent more than 11,000 claims.

d. \$304,150 for the retained services of Nathan, Inc., to complete the final claim validation reporting and calculation.

e. \$449,705 in expenses including postage, toll-free number charges, data and physical record storage, and other miscellaneous expenses including PO Box rental, and photocopy and printing charges.



# Exhibit A

From: DRAM Indirect Claims Administrator

Subject: DRAM Indirect Settlement Claim Final - Audit Request

Dear Claimant:

This email is to inform you that your CLAIM SUBMISSION for the DRAM Indirect Class Action Settlement has one or more of the following deficiencies listed below. In order for your claim to remain valid, you must resolve these deficiencies on or before July 8, 2015. If a resolution is not received before the deadline, the claim will be invalid and ineligible for payment under the settlement.

Deficiencies:

- No products listed on claim
- No contract
- Placeholder
- Missing business size
  - Small = 1-10 employees
  - Medium = 11-50 employees
  - Large = 51 +

If you have any questions please call the Claims Administrator at 1-800-589-1425 or email [dramclaimstpf@rustconsulting.com](mailto:dramclaimstpf@rustconsulting.com)

Thank you,  
Claims Administrator

# Exhibit B

DRAM CLAIMS  
C/O RUST CONSULTING, INC.  
P.O. BOX 8097  
FARIBAULT, MN 55021-9497

<<DATE>>

**IMPORTANT LEGAL MATERIALS**

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<<compute\_0012>>, <<compute\_0013>> <<compute\_0014>>

**RESPONSE DUE DATE: POSTMARKED BY DECEMBER XX, 2014**

**Claim No. «clm\_no»**

Dear Claimant:

We received and processed the Claim Form you filed in the Dynamic Random Memory (DRAM) Indirect Settlements. However, the claim was not signed. Please sign below and return this notice to the address above by the Response Due Date. Your signature below will be treated as the proper execution of your previously submitted Claim Form.

**FAILURE TO RESPOND TO THIS LETTER MAY RESULT IN THE DISALLOWANCE OF YOUR CLAIM.**

If you have any questions, please call us toll-free at 1-800-589-1425.

Sincerely,

DRAM Indirect  
Claims Administrator

I (we) declare under penalty of perjury under the laws of the United States of America, that the information provided in the above-referenced Claim Form is true and correct.

---

Claimant Signature

---

Date

---

Print Name of Claimant or Capacity of Person Signing

SIGN

# Exhibit C



DRAM Claims  
c/o Rust Consulting, Inc.  
P.O. Box 8097  
Faribault, MN 55021-9497

FOR OFFICIAL USE ONLY

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Page 1 of 1

**IMPORTANT LEGAL MATERIALS**



[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

September 21, 2015

RESPONSE DUE DATE: POSTMARKED BY OCTOBER 5, 2015

Claim N [REDACTED]

Dear Claimant:

We have received claim [REDACTED] you filed for the DRAM Indirect Class Action. Your claim has been chosen for an audit because it appears that it may be a duplicate claim (a number of claims have been filed with the same address by what appears to be the same person).

Only one claim per person can be accepted for the settlement. If the claims are not duplicates, please provide an explanation and any documentation supporting your position. Further auditing may be required. Your response must be returned with a copy of this letter to the address below by October 5, 2015.

If no response is received by the due date, you will only be credited for the claim with the highest value. If your address requires an update from the mailing address on file, please submit that information with your response.

If you have any questions, please call us toll-free at 1-800-589-1425.

Sincerely,

DRAM Indirect  
Claims Administrator

DRAM Claims  
P.O. Box 8097  
Faribault, MN 55021-9497



# Exhibit D

DRAM Claims  
c/o Rust Consulting, Inc.  
P.O. Box 8097  
Faribault, MN 55021-9497  
1-800-589-1425

FOR OFFICIAL USE ONLY

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Page 1 of 4

**IMPORTANT LEGAL MATERIALS**

June 24, 2015

RESPONSE DUE DATE: POSTMARKED BY 07/15/2015

**REQUEST FOR MORE INFORMATION \* \* \* \* Claim No. [REDACTED]**

Dear Claimant:

We have received and processed the Proof of Claim you submitted in the DRAM Indirect Class Action. Your Proof of Claim has been chosen for an audit because you submitted a claim as an individual purchasing for your own use and have claimed a number of computers or other DRAM-containing products that is significantly higher than the range which is the statistical norm for individual purchasers.

An audit is a request for adequate proof to support the purchase of the products you listed on your Proof of Claim. To comply with this audit, you will need to provide documentation to support the purchases you claimed. Your response must be returned to the address listed above by **07/15/2015**.

Please review the attached letter, and complete and return a copy with your supporting purchase documentation. Adequate documentation may consist of receipts showing your purchases, cancelled checks, credit card statements, and/or other documentation supporting your claim. (You may redact or "black out" information pertaining to unrelated transactions or personal information.)

If you do not have purchase documentation, you may submit a written statement providing the following information: 1) the type and number of products and the year of purchase, 2) a description of how you used the products, 3) a statement confirming these products were purchased for personal use, and 4) a statement affirming under penalty of perjury that the information provided in your Claim Form and the details contained in your response are true and correct.

**All supporting documentation submitted as part of this audit will be reviewed to determine eligibility**, however, you should be aware that further information may be requested, and without purchase documentation, there is no guarantee that your claim will be accepted. **If you do not respond by the above Response Due Date, your claim may be denied or modified.**

If you have any questions, please call us toll-free at 1-800-589-1425.

Sincerely,

DRAM Indirect  
Claims Administrator





### DRAM SETTLEMENT CLAIM FORM CONFIRMATION

The following product purchases were indicated in your Proof of Claim Submission. Please verify the products claimed and make corrections if needed. Return this form along with supporting purchase documentation in the form of 1) proof of purchase or 2) a written statement as described in the letter on the reverse side of this page. If providing a written statement you must enclose a copy of this form and your signature with the following language: "I affirm under penalty of perjury that the information in this statement is true and correct."

Product Type	Number Purchased as Provided in your Proof of Claim Form	Corrected Information Number Purchased	Indicate Type of Proof Provided
Computers – Laptops or Desktops	5 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Printers	2 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Stand-alone Graphics Cards	5 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Video Game Consoles	2 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
DVD Players	2 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Personal Digital Assistants	2 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
MP3 Players	3 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
TiVo/DVRs	2 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Point of Sale Systems	0 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
Servers	2 purchased 5,000.00 spent	_____ purchased _____ spent	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement

If you purchased 10,000 memory modules or fewer, provide the total number of memory modules purchased.

Year	Modules Purchased as Provided in your Proof of Claim Form	Corrected Information on Memory Modules Purchased	Indicate Type of Proof Provided
1998-2002	22 purchased	_____ purchased	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement

If you purchased more than 10,000 memory modules, provide the total MBs of DRAM purchased per year.

Year	MB Purchased as Provided in your Proof of Claim Form	Corrected Information on MB Purchased	Indicate Type of Proof Provided
1998	MB	_____ MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
1999	MB	_____ MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
2000	MB	_____ MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
2001	MB	_____ MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
2002	MB	_____ MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement



The following products were indicated in your Proof of Claim Submission. Please verify the products claimed and make corrections on page 4 if needed. Please include the reference number for those products corrected. Provide supporting documentation as detailed on page 2 of this notice.

Products containing DRAM that were not captured in Tables 1 and 2 of your Proof of Claim Submission.					
REF #	Product Type	Number Purchased	Year Purchased	Total DRAM Content (MB)	Indicate Type of Proof Provided if no corrections required
1	ROUTER	1	2000	64 MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
2				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
3				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
4				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
5				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
6				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
7				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
8				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
9				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
10				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
11				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
12				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
13				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below
14				MB	<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement <input type="checkbox"/> Amending Claim Below



TABLE 3					
CORRECTED PRODUCTS					
REF # From Above	Product Type	Number Purchased	Year Purchased	Total DRAM Content (MB)	Indicate Type of Proof Provided
					<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
					<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
					<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
					<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement
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					<input type="checkbox"/> Proof of purchase <input type="checkbox"/> Written statement

(If you require additional space, please attach extra pages in the same format as above. Sign and print your name on each additional page.)

**Sign and Date**

By signing below, I (we) affirm that the corrected information provided in this Claim Form Confirmation and all attachments is true and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Print Name: \_\_\_\_\_

# Exhibit E





DATE: 4/27/16  
MATTER #: 829100

**DRAM INDIRECT: STATEMENT OF ACCOUNT**

**OUTSTANDING INVOICES:**

Date	Invoice #	Amount	Payments	Balance
12/13/12	128641	39,409.63		39,409.63
02/21/13	138027	47,714.03		47,714.03
03/26/13	138125	14,049.57		14,049.57
04/26/13	138196	2,889.28		2,889.28
05/28/13	138286	186.55		186.55
06/24/13	138347	2,557.66		2,557.66
07/30/13	138451	441.45		441.45
08/14/13	138492	346.90		346.90
09/30/13	138661	275.61		275.61
10/25/13	138748	381.92		381.92
11/13/13	138772	276.61		276.61
12/19/13	138864	275.61		275.61
01/13/14	138934	734.76		734.76
02/28/14	148046	5,849.38		5,849.38
03/31/14	148126	44,180.57		44,180.57
04/14/14	148173	91,012.78		91,012.78
05/02/14	148255	144,610.42		144,610.42
06/10/14	148342	24,180.88		24,180.88
07/18/14	145240	49,167.92		49,167.92
08/26/14	145676	31,813.48		31,813.48
09/09/14	145718	56,201.85		56,201.85
10/31/14	146263	224,374.36		224,374.36
11/25/14	146500	53,667.02		53,667.02
02/10/15	15022	173,392.75		173,392.75
04/30/15	15695	75,108.61		75,108.61
06/03/15	151377	40,388.29		40,388.29
06/11/15	15920	52,959.23		52,959.23
07/24/15	155307	51,747.70		51,747.70
08/13/15	155434	50,763.38		50,763.38
09/22/15	155770	41,236.72		41,236.72
10/16/15	155998	271,646.13		271,646.13
11/18/15	156262	32,342.71		32,342.71
12/14/15	156461	56,994.48		56,994.48
01/15/16	156721	9,197.26		9,197.26
02/17/16	16158	21,033.21		21,033.21
03/29/16	16585	9,450.76		9,450.76
04/20/16	16692	30,078.40		30,078.40
04/27/16	16861	36,133.50		36,133.50

Total Amount Due

\$ 1,787,071.37

**PAYMENT TERMS: NET DUE UPON RECEIPT**

**WIRE INFORMATION**

ACCOUNT #: 8093434387  
ABA/ROUTING # WIRE or ACH: 111014325  
BANK: BANK OF TEXAS, DALLAS, TX 75225  
BANK CONTACT: MAYRA LANDEROS 214.987.8817  
REFERENCE: INVOICE NUMBER

**PAYMENT MAILING ADDRESS:**

P O BOX 142589  
DRAWER #9051  
Irving, TX 75014-2589

# Exhibit F



PREPARED FOR:  
**DRAM Indirect**  
 April 15, 2016  
*Using custom versions of distribution materials*

PREPARED BY:  
 Amy Lake  
 507.333.4307  
 alake@rustconsulting.com

<b>PROPOSAL SUMMARY</b>	Estimated Class Size	445,259
	Estimated Filing Rate	
	Project Cost	
	Class Data Management	
	Website	7,450
	Claims Processing	59,535
	Call Center	330,860
	Distribution and Tax Reporting	653,408
	Fees	62,500
	Expenses	60,000
	<b>Total Cost to Complete Project</b>	<b>\$1,173,754</b>

**THANK YOU FOR  
 CONSIDERING RUST  
 CONSULTING AS YOUR  
 SETTLEMENT  
 ADMINISTRATOR. WE  
 APPRECIATE THE  
 OPPORTUNITY TO  
 SUBMIT THIS  
 PROPOSAL.**

**SETTLE WITH  
THE BEST**

**EXPERTS IN YOUR PRACTICE AREA**

Our experienced staff is organized to meet your needs. Our practice areas include antitrust, consumer, finance, insurance and healthcare, labor and employment, product liability, securities, and government services.

**DATA SECURITY**

Our internal data and system security practices meet or exceed today's exacting industry standards. We have received system accreditation under the Federal Information Security Management Act (FISMA), comply with and adhere to Safe Harbor Principles, and undergo an annual SSAE 16 SOC 1 Type II Report audit of our data security and information technology controls designed to demonstrate our substantial level of data and system security.

**OUR APPROACH MEETS YOUR NEEDS**

Our client-focused, problem-solving approach minimizes costs, maximizes results and ensures excellence from start to finish. Avoid unplanned costs and delays by consulting with us before the settlement is complete.

The information contained in this document is considered confidential information, trade secrets and other proprietary information of Rust Consulting, Inc. and disclosure to the public is restricted. This information is not to be disclosed under any Freedom of Information Act, Public Records Act or similar law or regulation, as adopted by any jurisdiction without the prior written consent of Rust Consulting, Inc.

PREPARED FOR:  
*DRAM Indirect*  
April 15, 2016  
*Using custom versions of distribution materials*

PREPARED BY:  
Amy Lake  
507.333.4307  
alake@rustconsulting.com



**STANDARD HOURLY RATES (Subject to Change)**

Vice President	\$260-350
Senior Project Administrator	\$195-215
Project Manager	\$95-184
Technical Consultant	\$98-247
Call Center/Processing Manager	\$173
Call Center/Processing Supervisor	\$98
Customer Service Representative (CSR)	\$54
Processor	\$56
Other	\$56-247

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## Website

### ONGOING WEBSITE MANAGEMENT

	VOLUME		RATE (\$)	TOTAL (\$)
Draft and Post Website Updates	10	Hours	160	1,600
Monthly Maintenance/Hosting	18	Months	325	5,850
<b>SUBTOTAL</b>				<b>\$7,450</b>

## Claims Processing

### CORRESPONDENCE

Receipt	516	Pieces	1.00	516
Process	26	Hours	100	2,579

### VALIDATION

Finalize validation of claims	75	Hours	140	10,500
Finalize reconciliation and verification of claims	30	Hours	140	4,200
Prepare final claims information to prepare for distribution	15	Hours	140	2,100
Additional Nathan, Inc. Invoices				39,000

### PROCESS DEFICIENT CLAIM FORMS

Ongoing processing of late claims	200	Claims	0.50	100
Generate Rejection Letter and Mail	200	Letters	2.70	540
<b>SUBTOTAL</b>				<b>\$59,535</b>

## Call Center

Draft Scripting, Coordination and Reports	10	Hours	160	1,600
Call Center Management - Blended Rate	361	Hours	125	45,131
Escalations and Claims Research	181	Hours	125	22,566
CSR Training	80	Hours	54	4,331
Telephone Support	3,610	Hours	54	194,967
Interactive Voice Response (Automated Q&A)	61,894	Minutes	0.55	34,042
800# Charges	235,198	Minutes	0.12	28,224
<b>SUBTOTAL</b>				<b>\$330,860</b>

## Distribution and Tax Reporting

### FUND DISTRIBUTION PREPARATION

Finalize Declaration	30	Hours	160	4,800
Manage Wire Transfers and Third Party Filer Payments	38	Hours	160	6,080

### FUND DISTRIBUTION

CASS/NCOA/LACS Processing	1	One-Time Fee	2,004	2,004
Fund Distribution Coordination and Reports	64	Hours	160	10,240
Create Distribution Files, Quality Control	90	Hours	180	16,200
Coordination of letterhead and signature customization	100	Hours	180	18,000
Print and Mail Payments (customized to each state)	445,406	Payments	0.30	133,622
Postage - Award Payments	445,406	Payments	0.44	195,979
System Charges Banking Activities - per check <sup>1</sup>	445,406	Payments	0.20	89,081
Generate wire transfers	24	Hours	180	4,320
Account Reconciliation	36	Hours	180	6,480
System Charges Banking Activities	12	Months	225	2,700

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REISSUE PROCESSING/BANKING	VOLUME		RATE (\$)	TOTAL (\$)
Manage Reissue Process, Resolve Issues	45	Hours	125	5,625
Receive Undeliverable Payments and Update Database	18,262	Payments	1.00	18,262
Address Trace	17,816	Traces	0.25	4,454
Process Reissue Requests	4,454	Requests	3.50	15,589
Print and Mail Reissue Payments (minimum \$250/batch)	18,262	Payments	1.50	27,392
Postage	18,262	Payments	0.49	8,948

#### REMINDER TO CASH CHECK

Prepare Draft and Coordinate Mailing (assumes generic letterhead)	3	Hours	140	420
Create Mail File, Quality Control	5	Hours	180	900
Print and Mail Reminder Postcards (40%)	178,162	Postcards	0.06	10,690
Postage - Reminder Postcards	178,162	Postcards	0.29	51,667

#### SUPPLEMENTAL DISTRIBUTION

Prepare reconciliation and allocate remaining funds	20	Hours	140	2,800
Create Distribution Files, Quality Control	36	Hours	180	6,480
Print and Mail Payments (customized to each state)	2,500	Payments	1.38	3,450
Postage - Award Payments	2,500	Payments	0.49	1,225

#### TAX REPORTING

Annual Fee -QSF Income Tax Reporting	2	Years	2,000	4,000
Individual Income Tax Reporting (1099)	1	Years	2,000	2,000

**SUBTOTAL \$653,408**

#### ▲ Fees<sup>2</sup>

Project Management - Blended Rate	165	Hours	160	26,400
Staff - Blended Rate	100	Hours	100	10,000
Technical Consulting - Blended Rate	145	Hours	180	26,100

**SUBTOTAL \$62,500**

#### ▲ Expenses

Other Charges and Out-of-pocket Costs <sup>3</sup>	15	Months	4000	60,000
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**SUBTOTAL \$60,000**

**Total Estimated Cost \$1,173,754**

1. Check Processing Charge includes bank activities (electronic clearing, exchange of positive pay files, payment voiding, and online portal usage) and positive pay file review including exception handling. Exceptions occur when the check number and amount shown on payments presented to the bank do not match the original payment file and may arise from check scanning errors, fraud attempts, etc.

2. Fees are estimated and will be billed on actual time expended based on the rates found in the current standard Hourly Rates. The rates included in the estimate are a blended estimate of the rates listed above.

3. Out-of-Pocket Expenses: Includes post office box rental, overnight shipments, postage, labels, travel, long distance, data storage and other miscellaneous charges and expenses.